DATE: [Insert Date]

TO: Board of Directors, [Insert Financial Institution Name]

ATTENTION: [Insert Name of Chairperson/Committee Head]

FROM: [Insert Name/Title of BSA/AML Officer]

SUBJECT: FORMAL ESCALATION: Bank Secrecy Act (BSA) / Anti-Money Laundering (AML) Compliance Concern

1. PURPOSE

This letter serves as a formal escalation to the Board of Directors regarding critical issues identified within the institution's Bank Secrecy Act and Anti-Money Laundering compliance program.

2. DESCRIPTION OF CONCERN

[Provide a detailed description of the violation, deficiency, or high-risk activity. Include specific dates, departments involved, and the nature of the risk such as systemic failure, resource gaps, or specific customer activity.]

3. REGULATORY IMPACT

The identified issue poses a significant risk to the institution, including potential:

- Regulatory enforcement actions (Cease and Desist orders, Consent Orders).
- Civil Money Penalties (CMPs).
- Reputational damage and loss of banking relationships.
- Criminal liability for non-compliance.

4. PREVIOUS REMEDIATION EFFORTS

[Briefly describe previous attempts to resolve this issue at the management level and why those efforts were unsuccessful or why Board intervention is now required.]

5. REQUIRED ACTION AND RECOMMENDATIONS

The BSA Officer recommends the following immediate actions:

- [Insert Recommendation 1: e.g., Approval of emergency budget for AML software]
- [Insert Recommendation 2: e.g., Immediate termination of specific high-risk account]
- [Insert Recommendation 3: e.g., Authorization for external independent audit]

6. TIMELINE FOR RESOLUTION

A formal response or action plan is requested by [Insert Date] to ensure timely reporting to regulatory agencies if required.

Respectfully Submitted,

____
[Insert Name]
BSA/AML Compliance Officer
[Insert Institution Name]